



United States Department of the Interior

BUREAU OF OCEAN ENERGY MANAGEMENT

Gulf of Mexico OCS Region
1201 Elmwood Park Boulevard
New Orleans, LA 70123-2394

In Reply Refer To: MS GM 266A
OCS-G 29394

AUG 01 2019

Delfin Offshore Pipeline LLC
1100 Louisiana Street, Suite 3100
Houston, TX 77002
Attn: William Daughdrill

Dear Mr. Daughdrill:

Your letter dated July 16, 2019, submitting Outer Continental Shelf (OCS) Mineral Lessee's or Operator's Supplemental Bond No. K15770648, in the amount of \$831,143, was received by our office on July 18, 2019. This bond, conditioned to cover Right-of-Way OCS-G 29394, was executed on June 28, 2019, with Delfin Offshore Pipeline LLC as principal and Westchester Fire Insurance Company as surety.

The bond conforms to the requirements of the leasing and operating regulations for the submerged lands of the Outer Continental Shelf. It is effective as of the date filed, July 18, 2019.

Should you need further assistance, please contact Kathleen Lee at (504) 736-5774 or boemgomrfinancialassurance@boem.gov.

Sincerely,

Susan Vaughan, Section Chief
Leasing and Financial Responsibility Section
Leasing and Plans

cc: Westchester Fire Insurance Company
436 Walnut Street, WA10F
Philadelphia, PA 19106
Attn: Rebecca J. Hobbs

Sent Via Email To: w.daughdrill@delfinlng.com , rebecca.j.hobbs@marsh.com

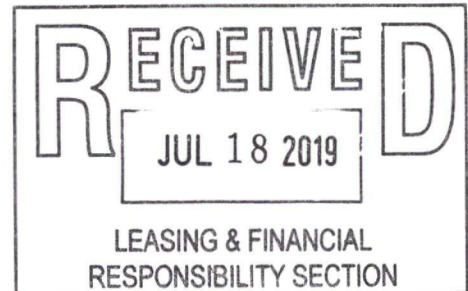


Delfin Offshore Pipeline LLC

1100 Louisiana Street, Suite 3100
Houston, TX 77002

July 16, 2019

Ms. Erin O'Reilly
Chief, Leasing and Financial Responsibility Section
Mail Stop GM266A
Bureau of Ocean Energy Management
Gulf of Mexico OCS Region
1201 Elmwood Park Blvd.
New Orleans, LA 70123-2394



Reference: Delfin Offshore Pipeline LLC (Gulf of Mexico Company Number 408)
Submission of New Bond K15770648 for Pipeline Right-of-Way OCS-G29394
Request for Cancellation of Supplemental Bond K09380012 for OCS-G03302A

Dear Ms. O'Reilly:

Delfin Offshore Pipeline LLC (Delfin) hereby submits fully executed Supplemental bond number K15770648 in the amount of \$831,143.00 to cover pipeline Right-of-Way (ROW) OCS-G29394. The specifics of new bond K15770648 are provided below:

Covered OCS ROW number: OCS-G29394
Bond type: Supplemental
Bond number: K15770648
Bond amount: \$831,143
Principal: Delfin Offshore Pipeline LLC
Surety: Westchester Fire Insurance Company
Execution date: June 28, 2019
Requested action: BOEM acceptance of ROW abandonment bond

New Supplemental bond K15770648 for ROW OCS-G29394 replaces bond number K09380012 that formerly covered this ROW when it was identified as ROW OCS-G03302A. With submission of this new Supplemental bond, Delfin respectfully requests that the Bureau of Ocean Energy Management (BOEM) cancel bond number K09380012 in the amount of \$850,500 covering expired ROW OCS-G03302A. Additional details covering Supplemental bond K09380012 are provided below for reference.

Covered OCS ROW number: OCS-G03302A (expired)
Bond type: Supplemental
Bond number: K09380012
Bond amount: \$850,500



Bureau of Ocean Energy Management
Chief, Leasing and Financial Responsibility Section
July 16, 2019
Page 2 of 2

Principal: Delfin Offshore Pipeline LLC
Surety: Westchester Fire Insurance Company
Execution date: March 29, 2016
Requested action: Cancellation

By letter dated March 8, 2018, the Bureau of Safety and Environmental Enforcement notified Delfin that ROW OCS-G03302A was expired. Delfin subsequently applied for and was granted a new pipeline ROW (identical to OCS-G03302A) under ROW OCS-G29394.

By way of background, please note that the existing 42" diameter natural gas pipeline associated with ROW OCS-G29394 (formerly OCS-G03302A) is in an inactive status. The pipeline was purged, isolated, and dry packed with nitrogen between WC167 (offshore) and Transco Station 44 (onshore) during 2012 in compliance with applicable regulations. Thereafter, the pipeline was included as a component in the Delfin LNG deepwater port license application, serving as one leg of the natural gas supply source for a proposed offshore liquefied natural gas (LNG) facility to be located in the vicinity of WC-327. Delfin continues to work with the U.S. Coast Guard and the Maritime Administration on the proposed Delfin LNG deepwater port project. As such, ROW OCS-G29394 remains essential to our project development plans.

All correspondence and inquiries concerning this request should be directed to the undersigned via e-mail at w.daughdrill@delfinlng.com or by telephone at (850) 933-1720.

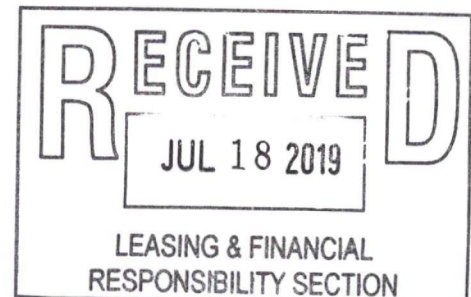
Respectfully submitted,

A handwritten signature in blue ink that reads "William Daughdrill".

William Daughdrill
President
Delfin Offshore Pipeline LLC
1100 Louisiana Street, Suite 3100
Houston, TX 77002
w.daughdrill@delfinlng.com

Enclosure: Original Executed Supplemental Bond K15770648 for OCS-G29394

Cc: Ms. Rebecca J. Hobbs
Marsh USA Inc.
1111 Northshore Drive
Suite N-550
Knoxville, TN 37919
Rebecca.J.Hobbs@marsh.com

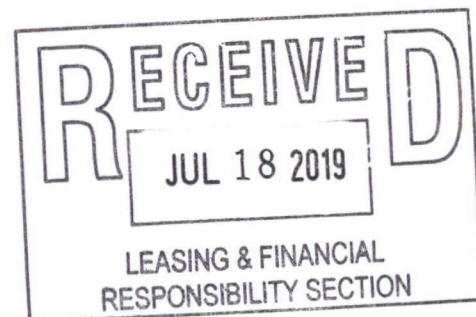


Cover Page
**OUTER CONTINENTAL SHELF (OCS)
MINERAL LESSEE'S OR OPERATOR'S
SUPPLEMENTAL BOND**

Form BOEM-2028A

This form dated June 2016 supersedes all previous versions of form BOEM-2028A

Paperwork Reduction Act of 1995 (PRA) Statement: The PRA (44 U.S.C. 3501 *et seq.*) requires us to inform you that BOEM collects this information to hold the surety liable for the obligations and liability of the Principal (lessee or operator). Responses are mandatory. No proprietary information is collected. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number. Public reporting burden for this form is estimated to average 15 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Comments regarding the burden estimate or any other aspect of this form should be directed to the Information Collection Clearance Officer, Bureau of Ocean Energy Management, 45600 Woodland Road, Sterling, VA 20166.



U.S. DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management

Bond No. K15770648

OCS Lease/RUE/ROW No. OCS-G29394

Bond Type Supplemental

Amount \$831,143.00

OUTER CONTINENTAL SHELF (OCS) MINERAL LESSEE'S OR OPERATOR'S SUPPLEMENTAL BOND

The **Surety** is the entity Guaranteeing Performance.

Name of Surety: Westchester Fire Insurance Company

Mailing Address: 436 Walnut Street, WA10F

Philadelphia, PA 19106

If a Corporation, Incorporated in the State of: Pennsylvania; County or Parish of: Philadelphia

☒ Check here if Surety is certified by U.S. Treasury as an acceptable surety on Federal Bonds and listed in the current U.S. Treasury Circular No. 570.

The **Principal** is the Lessee or Designated Operator for Whom the Bond is Issued.

Name of Principal: Delfin Offshore Pipeline LLC

Mailing Address: 1100 Louisiana Street, Suite 3100, Houston, TX 77002

Schedule A, the lease/RUE/ROW covered by this bond, is composed of: (add legal description)

The following lease/RUE/ROW: See Exhibit A (attached)

In addition to the Obligations of the Principal during the period of liability of this bond, the Surety also accepts the following Obligations: (Check one)

☒ No Obligations other than the Obligations of the Principal during the period of liability of this bond.

☐ All Obligations of all previous Sureties or guarantors even if the Obligations are not Obligations of the Principal during the period of liability of this bond.

☐ All Obligations of all previous Sureties or guarantors even if the Obligations are not Obligations of the Principal during the period of liability of this bond with the following exceptions or limitations (use an attached rider).

Definitions

For the purposes
of this document:

A **Principal** includes an entity holding an interest in the oil & gas lease in one or more of the following ways: (1) as an approved record title owner of all or a portion of the lease, (2) as an approved operating rights owner of all or a portion of the lease, or (3) as a designated operator or designated agent in all or a portion of the lease.

A **Lessee** includes an approved record title owner of all or a portion of the lease or an approved operating rights owner of all or a portion of the lease.

An **Obligation** includes any obligation arising from any regulations of the Department of the Interior or any Instrument issued, maintained, or approved under the OCS Lands Act (43 U.S.C. 1331 et seq.).

An **Instrument** includes individually or collectively any lease, operating agreement, designation of operator or agent, storage agreement, compensatory royalty agreement, transfer of operating rights, permit, license, or easement, whereunder the Principal has the right, privilege, or license to conduct operations on the OCS.

A **Person** includes an individual, a public or private entity, a State, a political subdivision of a State, any association of individuals, corporations, States, or subdivisions of States, or a government agency.

By signing below, the Principal verifies that the information above is correct and agrees to the following:

The Principal as agent on behalf of all lessees, operating rights owners, and operators will fulfill all Obligations for the entire leasehold and to the same extent as though the Principal were the sole lessee for the lease/RUE/ROW in Schedule A.

By signing below, the Surety verifies that the information above is correct and agrees to the following:

1. The Surety does hereby absolutely and unconditionally bind itself to the United States of America acting through and by the Bureau of Ocean Energy Management (BOEM), or such other official designated by the Secretary of the Interior for this purpose, for the payment of all of the cost of the plugging and abandonment Obligations.
2. The Surety will be responsible for all Obligations of the Principal in existence at the time this document becomes effective and all Obligations that accrue after that date and until all Obligations are met or until the Regional Director terminates the period of liability of this bond.
3. If the Regional Director terminates the period of liability of this bond, the Surety will remain responsible for Obligations that accrued during the period of liability until the Regional Director issues a written cancellation of the bond in favor of the Surety.
4. If this bond is cancelled, the Regional Director may reinstate this bond as if no cancellation had occurred if any payment of any Obligation of the Principal(s) is rescinded or must be restored pursuant to any insolvency, bankruptcy, reorganization, or receivership, or should the representation of the Principal that it has paid its financial Obligations or performed the other

BOEM-2028A (June 2016) Previous Editions are Obsolete

JUL 18 2019

PAGE 2 OF 3

LEASING & FINANCIAL
RESPONSIBILITY SECTION

Obligations of the lease in accordance with BOEM specifications be materially false and BOEM relied upon such representation in canceling the instrument.

5. The Surety waives any right of notice of this bond taking effect and agrees that this bond will take effect upon delivery to BOEM.
6. The Surety's Obligations will remain in full force and effect, even if:
 - (a) Any person assigns all or part of any interest in an Instrument covered by this document.
 - (b) Any person modifies an Instrument or Obligation under an Instrument in any manner including modifications that result from a commitment to a unit, cooperative, communitization, or storage agreement; suspension of operations or production; suspension or changes in rental, minimum royalty, or royalties; modification of regulations or interpretations of regulations; creation or modification of compensatory royalty agreements or payments; or creation of any mortgage, pledge, or other grant of security interest in the Instruments.
 - (c) Any person, event, or condition terminates any Instrument covered by this bond, whether the termination is by operation of law or otherwise.
 - (d) BOEM takes or fails to take any action in enforcing, as against any party to the Instrument, the payment of rentals or royalties or the performance of any other covenant, condition or agreement of the lease, or giving notice of or making demand with respect to such nonperformance.
 - (e) The Surety suffers any loss by reason of any law limiting, qualifying, or discharging the Principal's Obligation.
7. The Surety agrees to be bound under this bond as to the interests in any Instrument retained by the Principal when BOEM approves the transfer of any or all of the Instruments or interests in the Instruments.
8. In the event of any default under a lease, the Surety must provide payment of all of the cost of the Obligations of the Principal upon demand by BOEM.
9. If BOEM decides to commence suit to enforce its rights, it may commence and prosecute any claim, suit, action, or other proceeding against the Principal and Surety, or either of them, whether or not BOEM joins the lessees or any other party.
10. In the event there is more than one Surety for the Principal's performance of the Obligations, as to any Instrument, the Surety's Obligation and liability under this bond is on a "solidary" or "joint and several" basis along with other guarantors or sureties.
11. The Surety agrees to give prompt notice to BOEM and the Principal of any action filed alleging the insolvency or bankruptcy of the Surety or the Principal, or alleging any violation that would result in suspension or revocation of the Surety's charter or license to do business.
12. The Surety's Obligation and liabilities under this Bond are binding upon the Surety's successors and assigns. Nothing in this document permits assignment of the Surety's Obligation without the written consent of BOEM.
13. The Surety hereby waives any defenses to liability on this bond based on an unauthorized Principal signature.

Westchester Fire Insurance Company

Name of Surety

Rebecca J. Hobbs

Signature of Person Executing for Surety

Rebecca J. Hobbs, Attorney-in-Fact

Name and Title (typed or printed)

436 Walnut Street, WA10F

Business Address

Philadelphia, PA 19106

Business Address

Delfin Offshore Pipeline LLC

Name of Principal

William Daughdrill

Signature of Person Executing for Principal

William Daughdrill - President

Name and Title (typed or printed)

1100 Louisiana Street, Suite 3100

Business Address

Houston, TX 77002

Business Address

Signed on this 28th day of June, 2019, in the State of Tennessee, in the presence of:

Mariah Smith

Signature of Witness

Mariah Smith

Name (typed or printed)

436 Walnut Street, WA10F

Address

Philadelphia, PA 19106

Address

Mani Nazemi

Signature of Witness

Mani Nazemi

Name (typed or printed)

1100 Louisiana Street, Suite 3100

Address

Houston, TX 77002

Address

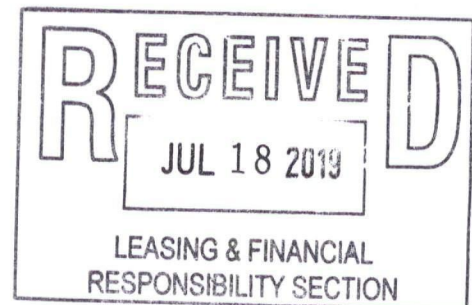
Note: The person executing for the Surety must attach a corporate resolution and power of attorney stating his or her authority to undertake this Obligation, pursuant to the acts of the corporate board of directors and the laws of the State of incorporation. The corporation executing this bond as Surety and the Principal, if a corporation, must affix their corporate seals.

BOEM-2028A (June 2016)

Previous Editions are Obsolete.

Exhibit A
Delfin Offshore Pipeline LLC
BOEM Right-of-Way Description
OCS-G 29394

Pipeline Right-of-way (ROW) OCS-G29394 is a 200-foot wide and approximately 24.94 miles (131,700 feet) long corridor associated with the 42-inch Pipeline Segment 19947. The purpose of pipeline ROW OCS-G29234 is to maintain and operate PSN 19947 and to transport gas from HIOS in Block 167 through Blocks 150, 151, 130, 115, 116, 93, 92, 81, 56,55, 46, to the Federal/State boundaryin block 19, all located in West Cameron Area.





Power of Attorney

Westchester Fire Insurance Company | ACE American Insurance Company

Know All by These Presents, that **WESTCHESTER FIRE INSURANCE COMPANY** and **ACE AMERICAN INSURANCE COMPANY** corporations of the Commonwealth of Pennsylvania, do each hereby constitute and appoint Andrea Allman, Rachel A. Chaveriat, Jessica Frederick, Rebecca J Hobbs, Linda M. Howard, Loretta M. Jones, Julie Karnes, Sandra G. King, Thelma M. Lett, Michelle Lute-Heatherly, Sandy McElhaney, Vicki Nobinger, Bonnie L. Rice, Mariah Smith, Mary Y. Volmar, Carolyn E. Wheeler and Joy M. Williams of Knoxville, Tennessee -----

each as their true and lawful Attorney-in-Fact to execute under such designation in their names and to affix their corporate seals to and deliver for and on their behalf as surety thereon or otherwise, bonds and undertakings and other writings obligatory in the nature thereof (other than bail bonds) given or executed in the course of business, and any instruments amending or altering the same, and consents to the modification or alteration of any instrument referred to in said bonds or obligations.

In Witness Whereof, WESTCHESTER FIRE INSURANCE COMPANY and ACE AMERICAN INSURANCE COMPANY have each executed and attested these presents and affixed their corporate seals on this **24th** day of **June, 2019**.

Dawn M. Chloros

Dawn M. Chloros, Assistant Secretary

Stephen M. Haney

Stephen M. Haney, Vice President



STATE OF NEW JERSEY

County of Hunterdon

SS.

On this **24th** day of **June, 2019**, before me, a Notary Public of New Jersey, personally came Dawn M. Chloros, to me known to be Assistant Secretary of WESTCHESTER FIRE INSURANCE COMPANY and ACE AMERICAN INSURANCE COMPANY, the companies which executed the foregoing Power of Attorney, and the said Dawn M. Chloros, being by me duly sworn, did depose and say that she is Assistant Secretary of WESTCHESTER FIRE INSURANCE COMPANY and ACE AMERICAN INSURANCE COMPANY and knows the corporate seals thereof, that the seals affixed to the foregoing Power of Attorney are such corporate seals and were thereto affixed by authority of said Companies; and that she signed said Power of Attorney as Assistant Secretary of said Companies by like authority; and that she is acquainted with Stephen M. Haney, and knows him to be Vice President of said Companies; and that the signature of Stephen M. Haney, subscribed to said Power of Attorney is in the genuine handwriting of Stephen M. Haney, and was thereto subscribed by authority of said Companies and in deponent's presence.

Notarial Seal



KATHERINE J. ADELAAR
NOTARY PUBLIC OF NEW JERSEY
No. 2316685
Commission Expires July 16, 2024

Katherine J. Adelaar

Notary Public

CERTIFICATION

Resolutions adopted by the Boards of Directors of WESTCHESTER FIRE INSURANCE COMPANY on December 11, 2006 ; ACE AMERICAN INSURANCE COMPANY on March 20, 2009:

"RESOLVED, that the following authorizations relate to the execution, for and on behalf of the Company, of bonds, undertakings, recognizances, contracts and other written commitments of the Company entered into in the ordinary course of business (each a "Written Commitment"):

- (1) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise.
- (2) Each duly appointed attorney-in-fact of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise, to the extent that such action is authorized by the grant of powers provided for in such person's written appointment as such attorney-in-fact.
- (3) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to appoint in writing any person the attorney-in-fact of the Company with full power and authority to execute, for and on behalf of the Company, under the seal of the Company or otherwise, such Written Commitments of the Company as may be specified in such written appointment, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
- (4) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to delegate in writing to any other officer of the Company the authority to execute, for and on behalf of the Company, under the Company's seal or otherwise, such Written Commitments of the Company as are specified in such written delegation, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
- (5) The signature of any officer or other person executing any Written Commitment or appointment or delegation pursuant to this Resolution, and the seal of the Company, may be affixed by facsimile on such Written Commitment or written appointment or delegation.

FURTHER RESOLVED, that the foregoing Resolution shall not be deemed to be an exclusive statement of the powers and authority of officers, employees and other persons to act for and on behalf of the Company, and such Resolution shall not limit or otherwise affect the exercise of any such power or authority otherwise validly granted or vested."

I, Dawn M. Chloros, Assistant Secretary of WESTCHESTER FIRE INSURANCE COMPANY and ACE AMERICAN INSURANCE COMPANY (the "Companies") do hereby certify that

- (i) the foregoing Resolutions adopted by the Board of Directors of the Companies are true, correct and in full force and effect,
- (ii) the foregoing Power of Attorney is true, correct and in full force and effect.

Given under my hand and seals of said Companies at Whitehouse Station, NJ, this **28th** day of **June, 2019**



Dawn M. Chloros

Dawn M. Chloros, Assistant Secretary

IN THE EVENT YOU WISH TO VERIFY THE AUTHENTICITY OF THIS BOND OR NOTIFY US OF ANY OTHER MATTER, PLEASE CONTACT US AT:

Telephone (908) 903-3493

Fax (908) 903-3656

e-mail: surety@chubb.com